

## **SIBANYE-STILLWATER'S COMPLIANCE REPORT ON RESPONSIBLE SOURCING OF PLATINUM/PALLADIUM**

The London Platinum and Palladium Market (LPPM) Responsible Platinum/Palladium Guidance (RPPG) has been established for Good Delivery Refiners to adopt high standards of due diligence in order to combat systemic or widespread abuses of human rights, to avoid contribution to conflict, to comply with high standards of anti-money laundering and combating terrorist financing practices.

Sibanye Stillwater Limited ("Sibanye-Stillwater") is a multinational mining and metals processing Group with a diverse portfolio of mining and processing operations and projects and investments across five continents. The Group, through our Stillwater operation in the United States, is also one of the foremost global PGM auto catalytic recyclers and has interests in leading mine tailings retreatment operations.

Sibanye-Stillwater has established itself as one of the world's largest primary producers of platinum, palladium, and rhodium and is also a top tier gold producer. It produces other PGMs, such as iridium and ruthenium, along with chrome, copper and nickel as by-products. The Group has recently begun to build and diversify its asset portfolio into battery metals mining and processing and is increasing its presence in the circular economy by growing and diversifying its recycling and tailings reprocessing operations globally.

Sibanye-Stillwater and its refinery, the Western Platinum Proprietary Limited Precious Metals Refinery ("WPL PMR"), aims to comply with the LPPM Responsible Platinum/Palladium Guidance through the adoption and implementation of our Policy for the responsible sourcing of Platinum/Palladium ("the Policy") and our Framework for the responsible sourcing of Platinum/Palladium ("the Framework"). Steps taken in this regard are detailed in this report.

LPPM RPPG Version 1 was first adopted and implemented by the company in January 2020. The LPPM updated and communicated LPPM RPPG Version 3 during March 2021 with an effective date of 1 March 2021. This compliance report is for the period 1 July

2021 to 31 December 2021. At the end of the previous review period (30 June 2021), we were in the process of aligning with LPPM RPPG Version 3. The amended Policy and Framework, which are aligned to LPPM RPPG Version 3, were adopted on 23 October 2021. The necessary due diligence in accordance with the amended Framework was subsequently executed. Refer to Table 2 below for a description of our responsible sourcing activities conducted and for disclosure in relation to the specific elements of LPPM RPPG Version 3 adopted and implemented during the review period.

<b>Table 1: Refiner's details</b>	
Refiner's name	Western Platinum Proprietary Limited's (WPL) (a subsidiary of Sibanye Stillwater Limited) Precious Metals Refinery (PMR)
Location	4/130 Platinum Road, Vulcania X 2, Brakpan, South Africa
Sibanye-Stillwater year end	31 December 2021
Reporting Period	1 July 2021 – 31 December 2021
Date of report	29 March 2022
Senior Management responsible for this report	Richard Stewart (Group Chief Operating Officer) and Marizaan Siegert (Manager Corporate Compliance and the Sibanye-Stillwater Platinum and Palladium Responsible Sourcing Compliance Officer)

<b>Table 2: Summary of activities undertaken to demonstrate compliance</b>
<b>Step 1: Establish strong company management systems</b>
<b>Compliance Statement with Requirement:</b> Sibanye-Stillwater has partially complied with Step 1 of the LPPM RPPG Version 3 for the review period (note commentary above and description of activities in 1.1 below for aspects of partial compliance). The Company has established strong management systems.
1.1. Sibanye-Stillwater has adopted a company policy regarding due diligence for supply chains of Platinum/Palladium.
<u>Comments and Demonstration of Compliance:</u>

**Table 2: Summary of activities undertaken to demonstrate compliance**

Sibanye-Stillwater recognises the risks of significant adverse impacts that may be associated with extracting, processing, trading, handling and exporting minerals. We recognise the need to combat systematic or widespread abuses of human rights, to avoid contributing to geopolitical conflict, to comply with high standards of anti-money laundering practices and to combat terrorist financing practices.

Sibanye-Stillwater reviews its Policy for Responsible Sourcing of Platinum / Palladium (the "Policy") from time to time with the last amendment effected on 23 October 2021 to align with LPPM RPPG Version 3. Through our Policy, we strive for engagements and operations that are conducted in accordance with the LPPM's Platinum/Palladium Guidance and with the Organisation for Economic Co-operation and Development Due Diligence Guidance for the Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. Our Policy is applicable to all personnel including suppliers, service providers and agents in the Platinum/Palladium responsible sourcing supply chain.

At the end of the previous review period (30 June 2021), we were in the process of aligning our Policy and Framework with LPPM RPPG Version 3. During this review period, we adopted the required updates to our Policy and Framework, based on LPPM RPPG Version 3 (which became effective from 1 March 2021), including extending the application of the Policy and Framework to third-party suppliers of our depositing counterparties. Implementation of the updated Policy and Framework with counterparties commenced immediately thereafter and the required due diligence activities, as per the revised Policy and Framework, was completed by 31 December 2021.

1.2. Sibanye-Stillwater has set up an internal management structure to support supply chain due diligence.

Comments and Demonstration of Compliance:

An internal management system, as described in the Framework, has been set up to define the governance, roles and responsibilities, procedures, communications and senior management review as per the Policy.

**Table 2: Summary of activities undertaken to demonstrate compliance**

The Responsible Sourcing Committee (“RSC”) has been established to govern the Policy, Framework and responsible sourcing practices and its members have been selected from senior management across several operational and functional areas, including operations, business development, marketing, protection services, compliance, risk, technical, and environmental, social and governance. The defined roles and responsibilities of the committee members are detailed in the Framework.

The RSC oversees the responsible sourcing of Platinum/Palladium, reviews and assesses the supply chain due diligence and approves the counterparties after discussion and appropriate risk mitigation. The Compliance Officer and the Due Diligence Officer manage, supervise and review the due diligence process and report directly into the RSC.

The RSC reports to Sibanye-Stillwater’s Corporate Executive leadership team (C-Suite). The C-Suite is supported by the Sibanye-Stillwater Board of Directors, who have oversight of the supplier due diligence outcomes on high-risk items.

During the period under review, supply chain risk assessments were reviewed by the RSC and signed off by the Risk and Insurance Unit Manager and the Corporate Compliance Manager / Responsible Sourcing Compliance Officer.

Training was provided to selected employees and management involved in the Platinum/Palladium supply chain during the reporting period. Employees involved in the receipt and analyses of third-party material were included in the training in order to ensure heightened awareness and detection of potential issues.

1.3. Sibanye-Stillwater has established a strong internal system of due diligence, controls and transparency over Platinum/Palladium supply chain, including traceability and identification of other supply chain actors.

Comments and Demonstration of Compliance:

Sibanye-Stillwater has an established Platinum/Palladium material receipt process. Specific documents must be received, and transactional details entered before we process any Platinum/Palladium containing material. Each lot received from group

**Table 2: Summary of activities undertaken to demonstrate compliance**

companies and other counterparties must be accompanied by the appropriate documentation in support of the material.

These documents are registered in our transactional system and confirmed through a weighing, sampling and evaluation protocol. The weight data is captured in the weighbridge management system and transferred into the Sibanye-Stillwater Metal Accounting System (MES). Approved sampling data is stored in the Laboratory Information Management System (LIMS) and also transferred into MES, Sibanye-Stillwater will ensure that these records are maintained for at least five years following our year end.

Any form of non-compliance is reported to the Manager Metallurgical Accounting – Processing Operations and to the RSC. No such matters were brought to the RSC during the reporting period.

All transactions are carried out by electronic transfer of funds and no cash transactions were made. Sibanye-Stillwater supports all applicable laws and regulations and strives to comply with it. Sibanye-Stillwater remains committed to cooperate transparently with government authorities and provide access to records and information as appropriate.

1.4. Sibanye-Stillwater has strengthened its company engagement with Platinum/Palladium supplying counterparties, and where possible, assisted Platinum/Palladium supplying counterparties in building due diligence capabilities.

Comments and Demonstration of Compliance:

At acceptance of the updated Policy and Framework, Sibanye-Stillwater communicated with its Platinum/Palladium counterparties and advised them of our Policy and responsible sourcing expectations and requirements. During the reporting period, site visits to specific counterparties were conducted and were used as an opportunity to share Sibanye-Stillwater’s Policy and Framework in more detail, to share our compliance expectations and to help our counterparties continuously

**Table 2: Summary of activities undertaken to demonstrate compliance**

improve their responsible sourcing processes. All planned site visits for the review period were concluded.

The Framework was updated during the review period with amendments (to align with LPPM RPPG Version 3) to assess if adequate due diligence is carried out by counterparties on their third-party suppliers. As per our Framework, should it be assessed that counterparties haven't taken reasonable steps to carry out the necessary due diligence on their suppliers (third parties), the business relationship may be suspended / discontinued, and a risk mitigation strategy implemented. The Framework further provides for the suspension or discontinuation of the engagement with suppliers where it is identified that unresolved risks in the supply chain of a third-party may exist. Refer to step 2 and 3 below for details of our due diligence processes executed.

1.5. Sibanye-Stillwater has established a company-wide communication mechanism to promote broad-based employee participation and risk identification to management.

Comments and Demonstration of Compliance:

Sibanye-Stillwater has deployed a mechanism across the organisation which allows for the confidential reporting of unethical behaviour such as fraud, corruption, illegal mining, product theft, theft of company property, clocking fraud, copper theft or theft of explosives anonymously.

This tip-off mechanism ensures that concerns over the responsible Platinum/Palladium sourcing management system or newly identified risks can be reported. The tip-off mechanism is managed by an independent third party.

This tip-off mechanism is exclusively monitored by Protection Services who have an established protocol to elevate reports regarding responsible sourcing of Platinum/Palladium to the Due Diligence Officer, and from there to the RSC. No specific concerns requiring the intervention of the RSC were raised with the RSC during the reporting period.

**Step 2: Identify and assess risks in the supply chain**

**Table 2: Summary of activities undertaken to demonstrate compliance**

**Compliance Statement with Requirement:**

Sibanye-Stillwater has partially complied with Step 2 of the LPPM RPPG Version 3 for the review period (note commentary above and description of activities in 2.2 below for aspects of partial compliance). The Company identifies and assesses risk in the supply chain.

**2.1. Sibanye-Stillwater has a process to identify risks in the supply chain**

Comments and Demonstration of Compliance:

Counterparties are requested to complete a due diligence questionnaire which forms the basis for our Know Your Counterparty (“KYC”) checks.

The Risk and Insurance Unit Manager, who is a member of the RSC, conducts an initial risk assessment based on the information gathered from the due diligence process for new counterparties following the initial due diligence process. The risk assessment is performed in accordance with the Framework and the established risk assessment matrix. Sibanye-Stillwater will conduct enhanced due diligence should any potential high risks be identified and will include, as a minimum, an on-site visit to assess the specific risk.

The initial and mitigated risk assessment is then discussed and ratified by the RSC and is minuted accordingly. A risk management strategy will be implemented should the RSC deem it necessary.

Counterparties will be monitored on an ongoing basis and the risk will be re-assessed should there be a change in feedstock, contract terms, beneficial ownership, or if any red flags are raised after its’ initial approval.

**2.2. Sibanye-Stillwater has assessed the risks in light of the standards of their due diligence system**

Comments and Demonstration of Compliance:

At the end of the previous review period (30 June 2021), we were in the process of aligning our Policy and Framework with LPPM RPPG Version 3. During this review period we adopted the updated Policy and Framework on 23 October 2021, which are aligned to LPPM RPPG Version 3, and subsequently continued to complete due

**Table 2: Summary of activities undertaken to demonstrate compliance**

diligence processes on our Platinum/Palladium counterparties and contractors throughout the supply chain, beyond the direct supplier in accordance with our updated Policy and Framework. The due diligence consisted of internal and independent third-party verification of information provided via our responsible sourcing due diligence questionnaire (including, for example, the existence of the counterparty and its shareholders; information on key management individuals; confirmation of the origin and logistics of the material and security arrangements) and were extended to counterparties' suppliers where necessary. Existing external counterparties completed an annual responsible sourcing declaration.

Two counterparties have been identified with third-party suppliers of material. Both these counterparties were prioritised when the revised Policy and Framework was implemented on 23 October 2021. The RSC assessed the initial, and mitigated risks identified in accordance with the updated Framework and no counterparties were assessed to be high risk by the RSC.

**2.3. Sibanye-Stillwater reports risk assessment to the designated manager**

Comments and Demonstration of Compliance:

The risk assessment of a counterparty is presented and discussed at the RSC. Should the RSC be comfortable that the potential risks have been appropriately mitigated, the RSC will approve the counterparty. Where necessary, the RSC will request that a risk management strategy be implemented and reported on in future meetings. The risk assessment is then signed off by senior management.

**Step 3: Design and implement a management system to respond to identified risks**

**Compliance Statement with Requirement:**

Sibanye-Stillwater has complied with Step 3 of the LPPM RPPG Version 3 for the review period. The Company has designed and implemented a management system to respond to identified risks.

**3.1. Sibanye-Stillwater has a process to report findings to Senior Management**

Comments and Demonstration of Compliance:

Sibanye-Stillwater has various avenues for reporting on suppliers' information gathered, and actual and potential risks identified in the supply chain, to Senior Management. The RSC holds regular meetings, that include Senior Management,



**Table 2: Summary of activities undertaken to demonstrate compliance**

where suppliers are discussed. These discussions include information gathered on suppliers and their leadership, potential and actual risks according to the risk assessments compiled. The Due Diligence and Compliance Officers, and other RSC members, have direct access to Senior Management to report findings.

3.2. Sibanye-Stillwater has devised a strategy for risk management of an identified risk by either (i) mitigation of the risk while continuing to trade, (ii) mitigation of the risk while suspending trade or (iii) disengagement from the risk

Comments and Demonstration of Compliance:

For medium and high-risk counterparties, should the RSC determine that certain risks exist that are required to be mitigated and addressed, a risk management strategy will be adopted after investigating to determine the appropriate course of action. Depending on the particular risk and the significance thereof, Sibanye-Stillwater will choose not to accept any counterparty material until the risk can be appropriately mitigated. The Risk and Insurance Unit Manager has been tasked with providing a report to the RSC that contains notification of the risk strategy to be adopted.

The RSC did not identify new or additional risks for existing counterparties during this review period. During the review period, the RSC decided to mitigate a specific risk while continuing to trade with one (1) contractor. In line with the LPPM RPPG Version 3 requirement that due diligence must be performed beyond the direct supplier, we identified that the contractor had an informal practice but no formal policy or procedure in place, to perform due diligence on their suppliers and / or contractors. We recommended that the contractor adopt a supply chain policy in line with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (OECD DDG) – a risk management strategy has been adopted and implemented for the contractor and progress is monitored by the Responsible Sourcing Compliance Officer and RSC. No counterparties or contractors were suspended or disengaged for any responsible sourcing related breaches during the reporting period.

In addition, the RSC has identified certain risks in respect of an individual within the leadership structure of the supplier of a contractor. The risk element is being

**Table 2: Summary of activities undertaken to demonstrate compliance**

monitored and reported on by the Due Diligence Officer. If required, the Due Diligence Officer will report back immediately to the RSC Committee on any adverse findings.

3.3. Where a management strategy of risk mitigation is undertaken, it should include measurable steps to be taken and achieved, monitoring of performance, periodic reassessment of risk and regular reporting to designated Senior Management.

Comments and Demonstration of Compliance:

Where a specific risk is identified that needs to be managed and mitigated, the strategy is developed, and actions agreed, by the members of the RSC. The Compliance Officer and Risk and Insurance Unit Manager execute the mitigation strategy and engage with the counterparty and report back to the RSC on progress.

A risk mitigation strategy was discussed and accepted by the contractor countersigned referred to in point 3.2 above. The risk mitigation strategy included that a review of the contractor’s efforts and assessment of the implementation would be conducted to formalise their due diligence practice by adopting a policy consistent with the standards set forth in the model supply chain policy in Annex II of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. We provided a timeline for these efforts to be concluded and are monitoring progress.

**Step 4: Arrange for an independent third-party audit of the supply chain due diligence**

**Compliance Statement with Requirement:**

Sibanye-Stillwater has complied with Step 4 of the LPPM RPPG Version 3 for the review period. The Company has arranged for an independent third-party audit of the supply chain due diligence.

Comments and Demonstration of Compliance:

Sibanye-Stillwater has engaged the services of PricewaterhouseCoopers Incorporated to provide a limited assurance conclusion on Sibanye-Stillwater’s assertions and description of activities contained in this Compliance Report. The assurance report is attached hereto and available on our website:

**Table 2: Summary of activities undertaken to demonstrate compliance**

<https://www.sibanyestillwater.com/responsible-sourcing/2022/assurance-report>

**Step 5: Report on supply chain due diligence**

**Compliance Statement with Requirement:**

Sibanye-Stillwater has complied with Step 5 of the LPPM RPPG Version 3 for the review period and has reported on its supply chain due diligence.

Comments and Demonstration of Compliance:

This Compliance Report, covering our Policy, Framework and responsible sourcing practices for the reporting period, has been approved by the RSC and signed by the relevant senior management. The Compliance Report is available to the public and included on our website:

<https://www.sibanyestillwater.com/responsible-sourcing/2022/compliance-repo>

We have complied with the Corrective Action Plan as submitted to the LPPM after the previous review. We have updated and implemented our Policy and Framework during the review period (on 23 October 2021) with the requirements and expectations of the LPPM RPPG Version 3. Subsequent to adopting the updated Policy and Framework, we have engaged with our Platinum / Palladium supplying counterparties on aligning their due diligence capabilities with the new requirements. We have rolled out and implemented our Policy and Framework to all relevant depositing customers and conducted due diligence throughout the supply chain, beyond the direct supplier.

**Table 3: Management conclusion**

Is the refiner in compliance with the requirements of the LPPM Responsible Platinum/Palladium Guidance for the reporting period?

Sibanye-Stillwater overall conclusion:

At the end of the previous review period (30 June 2021), Sibanye-Stillwater was in the process of aligning their Policy and Framework with LPPM RPPG Version 3 - the revised Policy and Framework was adopted on 23 October 2021. Implementation of the updated Policy and Framework with counterparties commenced immediately thereafter and the required due diligence activities, as per the revised Policy and Framework, was completed by 31 December 2021.

**Table 3: Management conclusion**

By the end of this reporting period (31 December 2021), Sibanye-Stillwater has established a policy, management system, procedures, processes and practices to comply with the requirements of the LPPM RPPG Version 3 as explained above in Table 2. Sibanye-Stillwater is committed to compliance with LPPM RPPG Version 3 and continuous improvement.

**Table 4: Other report comments**

If users have any queries or wish to provide any feedback to Sibanye-Stillwater in respect of this report, please email: [marizaan.siegert@sibanyestillwater.com](mailto:marizaan.siegert@sibanyestillwater.com).



**Richard Stewart**  
**Senior Management, Responsible Sourcing Committee**  
**(Group Chief Operating Officer)**

29 March 2022



**Marizaan Siegert**  
**Platinum and Palladium Responsible Sourcing Compliance Officer**  
**(Manager Corporate Compliance)**

29 March 2022